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SIPDIS

SENSITIVE

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USDOC FOR IRAQ TASKFORCE  
USTR FOR SAUMS  
TREASURY FOR DEMOPULOS

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SUBJECT: PHRMA GROUP FORMS TO SUPPORT IRAQ

SENSITIVE BUT UNCLASSIFIED

1. (SBU) Summary. A group of Amman-based reps of multinational pharmaceutical companies, facilitated by the regional office of Pharmaceutical Research and Manufacturers of America (PhRMA), is forming a working group to provide recommendations to Iraqi authorities on establishing a pharmaceutical regime. These major, innovative companies, which have mainly been shut out of the Iraqi market for over a decade, have substantial experience and resources that could be brought to bear on some of the difficult issues Iraq's health sector faces. The embassy will remain engaged with the group as their work progresses. End Summary.

2. (SBU) Following a July 6 conference call with CPA advisor to the Iraq Ministry of Health Shaun Stevens, a group of Amman-based representatives of multinational pharmaceutical companies agreed to form a working group. The group, which will try to include CPA reps electronically, will endeavor to provide recommendations to Iraqi authorities as they devise new procedures for the import and distribution of pharmaceutical products.

3. (SBU) The company reps explained that as U.S. and UK companies most of them had been excluded from Oil for Food program contracts with Iraq for the past decade. The Iraqis mainly procured generic products from Russia, China and other countries that were perceived as politically supportive of the regime and from companies ready to pay "commissions." Thus, their companies and products, which are the most modern and innovative, are for the most part not included on lists of drugs Kimadia (the Health Ministry's procurement arm) had purchased over the past decade. They had also lost contact with Kimadia officials. Their companies' main interest is in working with Kimadia to restore what they believe is their natural share of the Iraqi drug market, as they say they enjoyed pre-sanctions.

4. (SBU) They understand that this is a medium term objective and that a necessary part of restoring their access is establishment of an Iraqi legal and regulatory regime for pharmaceutical products that covers issues like intellectual property protection, drug registration, pricing, and distribution. They also understood that the immediate task of CPA is to examine pending OFF contracts and to wind down the program. In the meantime, the group will begin meeting and working to develop their ideas. One of the members noted, for example, that Jordan's IPR laws could provide a model for Iraqi laws. They would welcome participation as possible by Kimadia reps, through visits to Amman or electronically.

5. (SBU) In the shorter term, the group will also discuss with Kimadia and the WHO the status of the relatively few pending OFF contracts their companies hold. They noted that they have also received requests from Iraqi private sector companies interested in distributing their products in Iraq. Stevens, however, said Iraqi policy would probably be to work directly with the companies rather than through middlemen.

6. Comment: This seems to be an excellent, constructive private sector initiative that will benefit both the companies and the creation of a health system in Iraq. One rep noted that among the group there was 250 years of collective experience in the pharmaceutical business in the region. PhRMA should also be able to bring its financial and other resources to bear on some of the difficult issues the Iraqi health sector faces. Amman appears to be the natural locus for this activity since many PhRMA members base their regional operations in Amman or in nearby Beirut or Damascus. The embassy will work with the group as its activities develop. As suggested during the conference call, it could be very useful at the right time for Kimadia reps to travel to Amman to meet the group. End Comment.

17. (SBU) The call was facilitated by the regional PhRMA rep Samir Mansour, Embassy Amman's Economic Section, and Humanitarian Assistance Coordinating Center (HACC) Amman reps. Regional representatives of Bristol Myers Squibb, Schering Plough, Pfizer, Novartis, Eli Lilly, Wyeth, Glaxo Smith Kline, Schering AG, and Boehringer Ingelheim participated in the call and subsequent meeting. Mansour will coordinate future activities of the group on behalf of PhRMA.

GNEHM